

Message Text

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ACTION EB-08

INFO OCT-01 ARA-14 EUR-12 IO-14 ISO-00 AF-10 EA-12

NEA-10 COME-00 AGRE-00 AID-05 ICA-20 TRSE-00

STR-07 OMB-01 L-03 CIAE-00 DODE-00 PM-05 H-02

INR-10 NSAE-00 NSC-05 PA-02 SP-02 SS-15 HA-05

ITC-01 /164 W

-----069926 280011Z /70

R 271335Z APR 78

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 4320

INFO USMISSION GENEVA

AMEMBASSY LONDON

UNCLAS SANTO DOMINGO 2188

DEPT PLEASE PASS TO ALL ARA DIPLOMATIC POSTS

E.O. 11652: N/A

TAGS: OAS, ETRD, EAGR, XM, DR

SUBJECT: OAS/CECON SESSION - U.S. STATEMENT ON SUGAR POLICY

1. US DEL (E. ALLAN WENDT) OPENED 4/26/78 AFTERNOON SESSION WITH GENERAL STATEMENT REGARDING U.S. SUGAR POLICY. STRESSING THE COMPLEXITY AND SENSITIVITY OF THE ISSUE, HE NOTED THAT DEPRESSED PRICES HAVE HAD A DETRIMENTAL IMPACT ON PRODUCERS IN ALL COUNTRIES REPRESENTED AT THIS OAS MEETING. HE NOTED THAT THE UNITED STATES, AS A MAJOR CONSUMER, IMPORTER AND PRODUCER OF SUGAR HAD A DIVERSITY OF INTERESTS, BOTH DOMESTIC AND INTERNATIONAL WHICH IT NEEDED TO ADDRESS IN SEEKING SOLUTIONS TO THIS ISSUE. WE HAD SOUGHT SUCH SOLUTIONS THROUGH THE INTERNATIONAL SUGAR AGREEMENT (ISA), WHICH REMAINS THE BASIS OF U.S. SUGAR POLICY. WE ARE NOW ACTIVELY WORKING FOR RATIFICATION OF THE ISA IN ACCORDANCE WITH OUR CONSTITUTIONAL PROCEDURES. THIS PROCESS HAS NOT PROVEN EASY, BUT WE ARE CONFIDENT THAT RATIFICATION CAN BE ACHIEVED BY JULY 1. THE IMPORTANT POINT TO KEEP IN MIND IS THAT WE REMAIN FULLY COMMITTED TO RATIFICATION AS WELL AS TIMELY IMPLEMENTATION

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OF THE AGREEMENT'S PROVISIONS.

2. IN ORDER TO SATISFY VARIOUS CONCERNED ELEMENTS IN OUR BODY POLITIC AND ASSURE CONGRESSIONAL CONSIDERATION OF THE ISA, WE HAVE FOUND IT NECESSARY TO DEVELOP PROPOSALS FOR BACKUP LEGISLATION IN CASE THE ISA DOES NOT PERFORM AS EXPECTED. OUR OBJECTIVE IS TO ENSURE THAT SUCH LEGISLATION IS COMPATIBLE WITH THE ISA'S

PROVISIONS

AND DOES NOT INTERFERE WITH THE SMOOTH FUNCTIONING OF
THE AGREEMENT. WE ARE STUDYING A VARIETY OF OPTIONS AND POLICY AP-
PROACHES WITH RESPECT
TO BACKUP LEGISLATION. NO DECISIONS HAVE BEEN REACHED.
OPTIONS MIGHT INVOLVE IMPORT FEES AND PERHAPS DIRECT PAYMENTS TO
U.S. PRODUCERS OR PROCESSORS OR SOME FLEXIBLE COMBINATION OF FEES
AND PAYMENTS. WE ARE AWARE OF THE SERIOUS CONCERN OF SUGAR
EXPORTING COUNTRIES REGARDING FIXED FEES. WE ARE THEREFORE
CONSIDERING A MECHANISM FOR DOWNWARD ADJUSTMENT OF FEES AS WORLD
SUGAR PRICES RISE UNDER THE ISAJ WE ARE HOPEFUL SUCH A
MECHANISM CAN BE ADOPTED.

3. RE ITC RECOMMENDATIONS: THE PRESIDENT IS NOT OBLIGED TO
ACCEPT THE RECOMMENDATIONS OF THE ITC. FURTHERMORE, THERE IS NO
PROVISION FOR CONGRESSIONAL OVERRIDE. WE HAVE THE ITC REPORT,
AND WILL CONSIDER ITS RECOMMENDATIONS, ALONG WITH OTHER POLICY
OPTIONS, IN THE CONTEXT OF THEIR RELATIONSHIP TO THE ISA. IN ANY
CASE, THE RECOMMENDATIONS WILL NOT AFFECT U.S. DETERMINATION TO RATIFY

THE ISA AND IMPLEMENT ITS PROVISIONS.

AXELROD

NOTE BY OC/T: NOT REPEAT NOT PASSED ALL ARA DIPLOMATIC POSTS.
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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, POLICIES, SPEECHES, MEETINGS, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
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Format: TEL
From: SANTO DOMINGO
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t1978049/aaaaahhb.tel
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Litigation Codes:
Litigation History:
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Office: ACTION EB
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Exemptions: n/a
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Review Release Event: n/a
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Review Withdrawn Fields: n/a
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TAGS: ETRD, EAGR, PORG, XM, DR, US, OAS, CECON, (WENDT, E ALLEN)
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Review Markings:
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